



Double the Numbers degree fund

Purpose

To reach the national average in bachelor's degree attainment, Kentucky needs nearly 800,000 bachelor's degree holders by 2020. In 2000, there were 400,000.

Kentucky's postsecondary system, though improving, is hindered by low student retention and graduation rates, due in part to students' lack of preparation for college-level work and rising financial pressures. In the past, the Council's funding model has rewarded institutions for high enrollment (an input), with little or no consequence for low graduation rates (an outcome). Neither the state nor the student benefits from this arrangement.

The Double the Numbers degree fund will increase Kentucky's educational attainment by providing institutions with a direct financial incentive to produce more degrees. This initiative is perhaps the most significant innovation to date in the way the Council funds postsecondary institutions.

Proposal

The Council requests \$5 million in 2008-09 and \$15 million in 2009-10 for the Double the Numbers degree fund.

How it works

In the first year, public four-year universities will receive \$5,000 for each additional bachelor's degree produced and \$1,250 for each additional degree produced in four priority areas (degrees from STEM majors, KCTCS transfers, minority students, and students who take developmental education courses). KCTCS will receive \$2,500 for each

additional associate degree produced and \$625 for each additional priority degree or transfer to a four-year university.

In the second year, these amounts will increase to \$15,000 per each additional bachelor's degree and \$3,750 per each additional priority degree for the four-year universities. KCTCS will receive \$7,500 and \$1,875 per each additional associate and priority degree, respectively.

Rewards will be calculated by averaging the most recent two years of performance data and comparing this to the average of two baseline years. In 2008-09, the base year will be the average of 2005-06 and 2006-07, and the performance year the average of 2006-07 and 2007-08. In 2009-10, the base year will be the average of 2006-07 and 2007-08, and the performance year will be an average of 2007-08 and 2008-09.

Highlights

- New funding of \$5 million in 2008-09 and an additional \$15 million in 2009-10.
- Provides bonus funds for degrees from STEM majors, KCTCS transfers, minority students, and students who take developmental education courses.
- Promotes greater degree production with current resources and builds upon postsecondary education's accountability system.